

U.S. Army Materiel Command  
Corporate Management Bulletin 1-1

# Corporate Management in the U.S. Army Materiel Command

A New Paradigm for Support of an Army in Transformation



July 2001



DEPARTMENT OF THE ARMY  
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND  
5001 EISENHOWER AVENUE, ALEXANDRIA, VA 22333-0001

REPLY TO  
ATTENTION OF

AMCCG

31 July 2001

The Army Materiel Command is an extraordinarily complex and very dynamic business enterprise. It is also a highly interdependent Corporate organization where almost every operating element in the Command depends on, and is dependent on another element for support of the Army. The effective management of business operations in the Army Materiel Command bears directly on the readiness and warfighting capability of the Army.

The nature of our business today and the operating environment into which we are moving in the next few years requires that our business processes and practices have a high degree of internal consistency and uniformity across the command so that we can create a high degree of coherence for our customers, external to the command. To achieve this objective the Command will publish a series of Corporate Management Bulletins to provide policy and direction for the conduct of business operations in the Army Materiel Command. This capstone publication, "Corporate Management in the Army Materiel Command", Corporate Management Bulletin 1-1 is the first in this series.

These publications will not supplant or conflict with any Army or DOD policy or the statutes under which we operate. They may, in some cases, provide supplementary guidance on how these policies will be implemented within AMC. These Corporate Management Bulletins constitute policy and direction in the Army Materiel Command. Your staff and senior leaders will be involved in the development of Corporate Management Bulletins on specific business areas in the future as we work to capture and propagate the best and most effective business processes across the Army Materiel Command. Ensure that your senior leaders and managers understand and apply these policies in the conduct of AMC business operations in support of the Army.



JOHN G. COBURN

General, USA  
Commanding



**CORPORATE MANAGEMENT IN THE U.S. ARMY MATERIEL COMMAND  
A New Paradigm for Support of an Army in Transformation**

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The Lead Agent for this bulletin is the AMC, Deputy Commanding General
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## INTRODUCTION

The operating environment in which the Army Materiel Command (AMC) functions has changed dramatically in the past ten years. The changes have been most pronounced in the resourcing of the organization -- the people and the dollars. It will change almost as dramatically in terms of our mission in the next ten years as we take on new missions in support of the Army, as we support a different Army and as we support the Transformation to achieve that different Army.

What has not changed, and will not change is the centrality of the Army Materiel Command to the effective sustainment and materiel readiness of the Army. Many of the technologies to support the Army of the future will be developed, or managed in their development, in the laboratories and engineering centers of the Army Materiel Command. The delivery of these capabilities, whether by a PEO external to the Army Materiel Command or a Project Manager organic to the Army Materiel Command, will be executed by the contracting activities of the Army Materiel Command. The sustainment and weapons systems management of equipment in the hands of soldiers will be managed by the Army Materiel Command. The Army Materiel Command is the



only agency positioned and resourced to do the life cycle management of Army materiel. That will not change in the future. Indeed, the role of the Army Materiel Command will take on renewed importance as new missions, such as the management of Recapitalization of the current force, the implementation of Single Stock Fund, the establishment of the National Maintenance Program, the implementation of the Global Combat Support System-Army, and the Wholesale Logistics Modernization Program, are implemented. Our management processes, our management structure and our management attitudes must be up to the task or we will not succeed. And that is what this paper is about: process, structure and attitude.

It will be useful to note, also, what it is not about. It is not about Command and it is not about leadership, though both play an enormously important role in the success of this Corporate enterprise. Neither is it about detailed procedures; it is not an "Organization and Functions Manual". It is important to have these organizations, functions and procedures codified, but that is not the purpose of this paper.

This paper focuses on the Management of our business and specifically on management at the Corporate level, i.e., the Headquarters. Management, obviously, is different from



both leadership and command, but it is not less important. The management and business process integration structure provides the framework for a holistic view of the business. Management and integration are the functional processes that help create the environment for the more esoteric and extremely critical functions of leadership and command. In addition, Command is a singular function; there is only one Commander. Management is a distributed function. Leadership is also a distributed function down to the lowest organizational units in the structure and will be affected in no small degree by how we manage our business. And, finally, management and an effective management structure are indispensable to the delegation of authority and the assignment of responsibility which enables accountability for results. And without accountability for results, we do not have a Corporate enterprise; we do not have a team. This paper is intended to provide a framework for management at the Corporate level -- at Headquarters, Army Materiel Command.

This paper also provides a brief review of the history of the Army Materiel Command and the structure and composition of the Corporate Staff. It is always helpful to know where you have been before starting a journey to the future. This paper also briefly discusses the Major

Subordinate Commands (MSCs) -- the Operating Commands and Agencies. This is necessary for context because management does not occur in a vacuum and because Corporate Management occurs within a larger organizational framework made up of organizations that do the important commodity-oriented work in support of Army materiel readiness, for which the Army Materiel Command has corporate responsibility.

Finally, it should be noted that some may take issue with the characterization of the Army Materiel Command as a "Corporation". Such a characterization does not detract from its important character as a military organization. It does, on the contrary, recognize that the Army Materiel Command is the business center of the Army, transforming dollars, physical and intellectual capital into capability and materiel readiness for the Army. If we are to be successful, we must pay due homage to the "business" nature of our business so that we may create an environment where every leader and manager is focused on investment utility, effectiveness, efficiency and customers. If we can do that effectively, we are much closer to creating an environment where we recognize our responsibility to our customers who depend on us to provide what they need and where we understand the environment they live in; and, to our

partners in industry upon whom we are dependent for the goods and services we provide to soldiers.

In sum, the parallels are clear and the imperatives are clear. Use what you have effectively, manage the resources wisely and create a structure where these highly interdependent logistics business functions of science and technology, contracting and acquisition and logistics sustainment can be fitted together -- can be INTEGRATED -- into a cohesive, coherent business process in support of our Army.

This paper provides a framework to begin the important task of improving our Corporate Management in the Army Materiel Command.

## **PART I**

### **SETTING THE STAGE**

#### **. . . The Environment . . .**

The Army Materiel Command is the business center of the Army. The command manages, or directly affects, every major logistics business process in the Army. Logistics business processes in this context include all the "traditional" logistics business processes such as supply, maintenance and transportation. In the modern Army, it also includes science and technology, research and development, contracting, materiel acquisition and life cycle management for the equipment in the hands of soldiers. It also includes the readiness management of this equipment on a day-to-day basis. This materiel can be best characterized by reference to density, diversity and dotage. The U.S. Army has lots of "stuff"; it has lots of "different stuff"; and it has lots of "old, different stuff". The range of missions that soldiers are called upon to be prepared to execute demands an extraordinary quantity, and a mind-boggling array, of equipment and materiel. The nature of our business and our Nation's business makes the capabilities and readiness of this equipment a life and death matter for the soldiers who use it. The Army Materiel

Command is at the very center of this logistics support structure, touching every soldier in every unit, every day by what we do -- or fail to do. This is an awesome, sobering and humbling responsibility for this corporate entity. A compelling case can be made that the Army Materiel Command, by virtue of its inextricable linkage to the "operational Army" -- the maneuver formations and the forces that support them -- is very much a part of the "operational Army". This requires a command, leader and management focus which recognizes and embraces the responsibilities inherent in the awesome challenge which attends this mission. It requires dedicated men and women - - military and civilian -- who recognize that, for a soldier, the work they do is a life and death matter, and . . . it requires that every member of this command act accordingly.

#### **. . . The Transformation . . .**

The Army is undergoing the most significant transformation in perhaps the last forty years. This transformation is in recognition of the changed external world in which we live. It is also in recognition of the internal realities which we must face if we are to maintain our capacity to execute our mission in support of the Army's

core competence: heavy sustained land combat. The internal realities consist of inadequate resources . . . both people and dollars . . . to do things as we have done them in the past. The realities consist of recognition that in a smaller, technology-based Army, if we fail to capitalize on and incorporate technology, both horizontally in currently fielded systems and vertically in newly developed systems, we will become a smaller, less capable Army. This becomes a more critical and a more compelling issue when we realize that in the explosion of technology which we see around us, the technologies which gave us the capability edge as recently as ten or fifteen years ago are now available in the marketplace. Our former adversaries and, in some cases, our allies are making it widely available to our current and future potential adversaries. This means, simply, that if we are going to rely on a smaller, technology-based Army, we must continue to invest in, and apply, those technologies to the equipment in the hands of soldiers. That is a daunting task given the density, the diversity and dotage of the equipment in our inventory. It is complicated by the subsidiary issues which always attend the insertion of technology in such a wide diversity of systems. Aside from the development of relevant and effective technologies, there are the issues of integration of those technologies

into existing weapons systems and equipment and there are issues of training and doctrine to enable soldiers to use systems to greatest advantage. There are issues of cost effectiveness, production, fielding and sustainment of improved systems. And, in today's Army, there is the issue of Transformation of the whole Army. The fully integrated relationship of the Active and Reserve components of our Army and the fact that seventy-five percent of our capability, in some cases, resides in the Reserve component requires that Transformation touch the whole Army and not just a few top-line units and organizations. The integration of all warfighting capabilities means that our effectiveness may very well be paced by the least effective units in the constellation of capabilities that make up an effective warfighting formation on the battlefield.

And so, Transformation is not about a debate on wheels or tracks. It is about making technology work for soldiers because of a strategic decision we took several years ago to have a smaller, technology-based Army. That debate is over. We have discovered what we should have known all along: in today's environment, all technology is perishable and some critical technologies have the half-life of buttermilk. We must develop technology and we must make technology work for soldiers if we are going to remain the pre-eminent land



combat force in the world, as our Nation's interests dictate. That course of action requires a level of stable investment in both development and application. It requires a reacculturation of the Army to become more comfortable with the changes which inevitably result from changes in technology. It requires an understanding that no soldier or unit will be unaffected by these changes. It requires hard choices in resourcing because there are not unlimited resources available. It will also require that we not be tempted by every technology fad that appears in *Popular Mechanics*, and that we not rush to transform every bumper sticker we read into a "new and improved" business process. This Transformation will require stability; stability in our vision of where we must go and stability in our resourcing to achieve the results which can make that vision a reality. And it will require that we change the way we think about our business so that we can change the way we do our business.

The Army Materiel Command is at the vortex of this Transformation whether we refer to the "Current" force, the "Interim" force or the "Objective" force. The Army Materiel Command will play a vital role in developing the technologies to be inserted in our current force as we recapitalize and enhance the capability of that force. The

Army Materiel Command will play a critical role in the delivery of technologies being developed for the Interim and Objective forces. The Army Materiel Command will play an indispensable role in the sustainment of these systems, through their entire life cycle, once they are fielded. It is not an overstatement to assert that a healthy, capable Army Materiel Command is indispensable to an effectively transformed Army. This does not diminish the important role played by others in this endeavor. The Army Materiel Command is the business center of the Army, and the core competency of the Army Materiel Command is logistics business process integration of science and technology, contracting, acquisition, program management and logistics power projection and sustainment. Those are the institutional capabilities required to make the Transformation a success.

The Army Materiel Command is a vital part of the Army Transformation. That means that the Army Materiel Command must also undergo a transformation. . .a transformation in the way we think about our business and the way we manage our business. It will also require a reacculturation of the Command in many important respects: an understanding by every leader and associate of the importance of business process integration, both horizontally and vertically; an

understanding by everyone of the interdependence of the Operating Commands, the Major Subordinate Commands of the Army Materiel Command. It will also require a deeper and more pervasive understanding by leaders and managers than perhaps at any time in our history because of limitations of resources, the complexity of our business processes and our technologies and the accelerated delivery schedules to which we must be sensitive. There are no entry-level positions in the Army Materiel Command for senior leaders and managers, either civilian or military.

The transformation of the Army Materiel Command has already begun. The adoption of new business processes such as Single Stock Fund (SSF), Wholesale Logistics Modernization (LOGMOD), Global Combat Support System - Army (GCSS-A), and the National Maintenance Program (NMP) are prime examples. Army decisions to recapitalize our equipment and insert capability-enhancing and cost-reducing technologies will affect the Army Materiel Command in significant way at every level. Simply stated, the Army cannot transform without a transformed Army Materiel Command. That transformation in the Army Materiel Command has begun. The chart at Figure 1 (p.13) and the accompanying narrative at Figure 1.1 (p.14) describes this

# AMC IS CRITICAL TO THE ARMY TRANSFORMATION

*RESPONSIVE*

**TRANSFORMED ARMY READY AND CAPABLE**

*DEPLOYABLE*

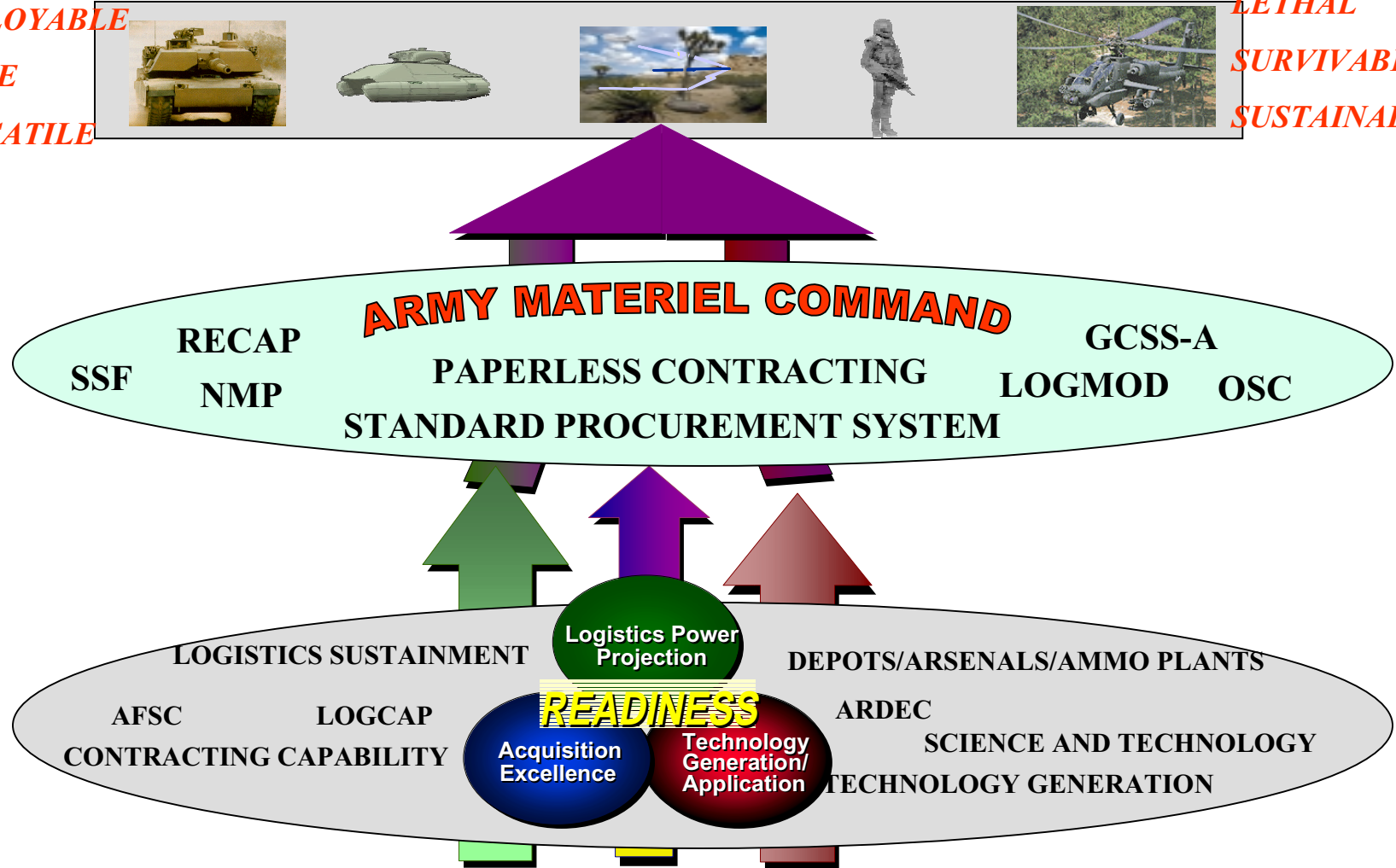
*AGILE*

*VERSATILE*

*LETHAL*

*SURVIVABLE*

*SUSTAINABLE*



**CAN'T ACHIEVE TRANSFORMATION WITHOUT AMC!**

Figure 1

The United States Army has embarked upon the most significant transformation in the last quarter century. The central imperative of this transformation is the maintenance of the READINESS of the Army while we transform into a force that is more responsive across the entire spectrum, which can be delivered to global points of interest quickly with the agility and versatility to confront and overcome a wide variety of operational challenges. This will require an Army with the deployability of a light force, the lethality of a large formation, the survivability of a heavy force with the sustainability to ensure success until our Nation's interests are successfully and conclusively served.

The Army Materiel Command is the Army's life cycle sustainment and readiness manager. A legacy force of 248,000 tactical wheeled vehicles, 30,000 combat vehicles, 5,463 aviation systems, 16,584 missile systems and 7,250 end items of communications equipment must be sustained. Concurrently, an Interim force is being fielded to bridge the capability available in the Legacy force to capabilities desired in the Objective force. The careful balance of core competencies and capabilities in the Army Materiel Command is essential to the achievement of enhanced capabilities of the Legacy force through modernization and technology insertion from AMC's laboratories and engineering centers, through the effective and efficient delivery of those capabilities through the contracting and program management business processes, and through the sustainment of these systems through the logistics power projection business process. Concurrently, the Army is developing the systems which, along with interim systems and modernized legacy systems, will populate the Objective force in ten to fifteen years.

The Army Materiel Command is, in many important respects, the pivot point on which the success of the Transformation process will turn. Therefore, the Army Materiel Command is also transforming simultaneously in many important ways to support the Army Transformation. Single Stock Fund will create a seamless logistics management process from top to bottom. The Army Recapitalization program is the vehicle by which technology generated in the labs and engineering centers will be inserted into legacy equipment. Global Combat Support System - Army will underpin the logistics sustainment process and, when integrated with the Wholesale Logistics Modernization business process, will create a seamless, global logistics information management system that will empower and enable a Revolution in Military Logistics unlike any which has occurred in forty years. In addition, AMC is modernizing the structures and supporting business processes to ensure we reach every soldier to ensure the strength, the capacity and the readiness of our Army.

The Army Materiel Command touches every soldier and every unit in the United States Army every day. We are transforming to serve and support the Transformation of the Army. Without AMC Transformation and a viable, effective AMC, there will be no Transformation of the Army. Joint doctrine says that, "Logistics defines the campaign's operational limits". That was never more true than in the instant case.

**Figure 1.1**

process. These changes require a new paradigm for the management of this new environment. This changed view of the world must permeate every organization in the Army Materiel Command and must be understood and embraced by every leader and manager. This paper will address the changes that are being made at the "Corporate level". . . the Army Materiel Command Headquarters . . . to manage this new environment in which the "Corporation" . . . Army Materiel Command. . . finds itself. Some may take issue with the characterization of the Army Materiel Command Headquarters as a "Corporate" headquarters. This characterization does not alter the role of this command as a military organization which will be led and commanded consistent with the guiding principles of a military organization: a chain of command, unity of command, a command mission and leadership principles to accomplish that mission. Rather, it recognizes the Army Materiel Command's role as the logistics business center of the Army, managing the most complex business processes in the Army in support of the Army. The Army Materiel Command touches every unit and every soldier every day. The Command executes, in one form or another, more than one out of four dollars in the Army budget every year. The core corporate competency of the Command is logistics business process integration for

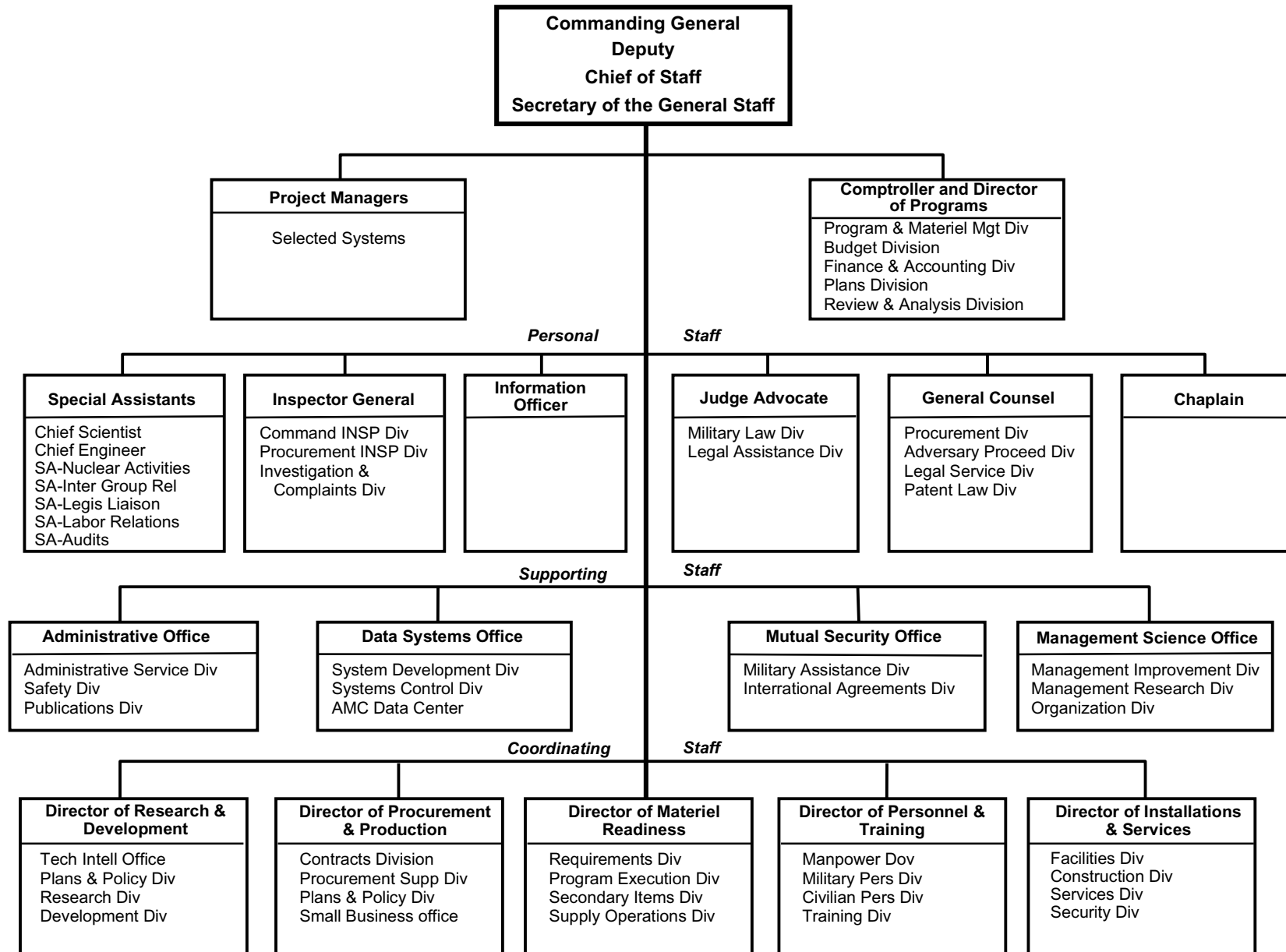
science and technology, contracting and acquisition and logistics power projection and sustainment, with all that implies, and it includes the life-cycle management of equipment in the hands of soldiers. If we do not know our business and do our business effectively at the corporate level, the effectiveness of the corporate effort will be diminished. This paper will briefly describe those changes in the "corporate" management structure and strategy to effect a new paradigm in support of an Army in Transformation.

**. . . Army Materiel Command Headquarters -- An historical perspective . . .**

This paper is about management for the future. However, it is important to briefly review the past, if only for historical context. When the Army Materiel Command was formed in 1962, the Command had over 189,000 members. The Corporate Headquarters consisted of 3,125 members organized as depicted in the charts at Figures 2 (p.17) and 2.1.(p.18). As recently as 1989, the Command had a strength of 114,636 with a very robust corporate level staff. The corporate structure in place in 1989 is shown at Figure 3 (p.19). It was a very robust structure with greater depth and breadth in all the functional mission areas for which



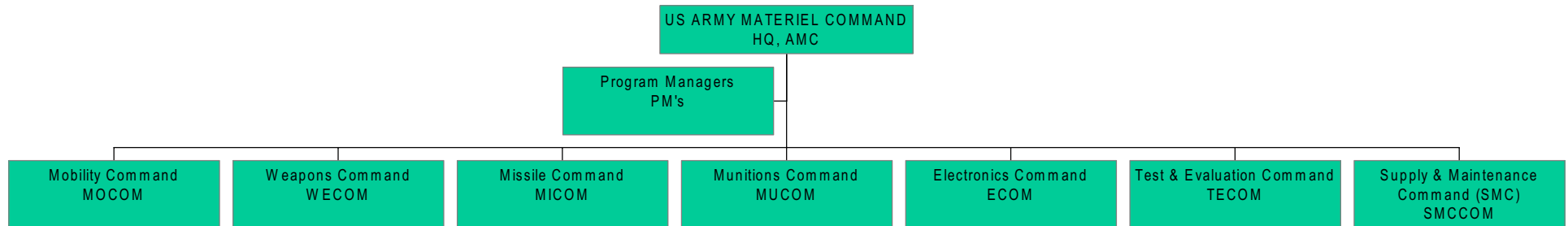
# HEADQUARTERS, U.S. ARMY MATERIEL COMMAND - JULY 1962



SOURCE: Activation Plan p. A-2

Figure 2

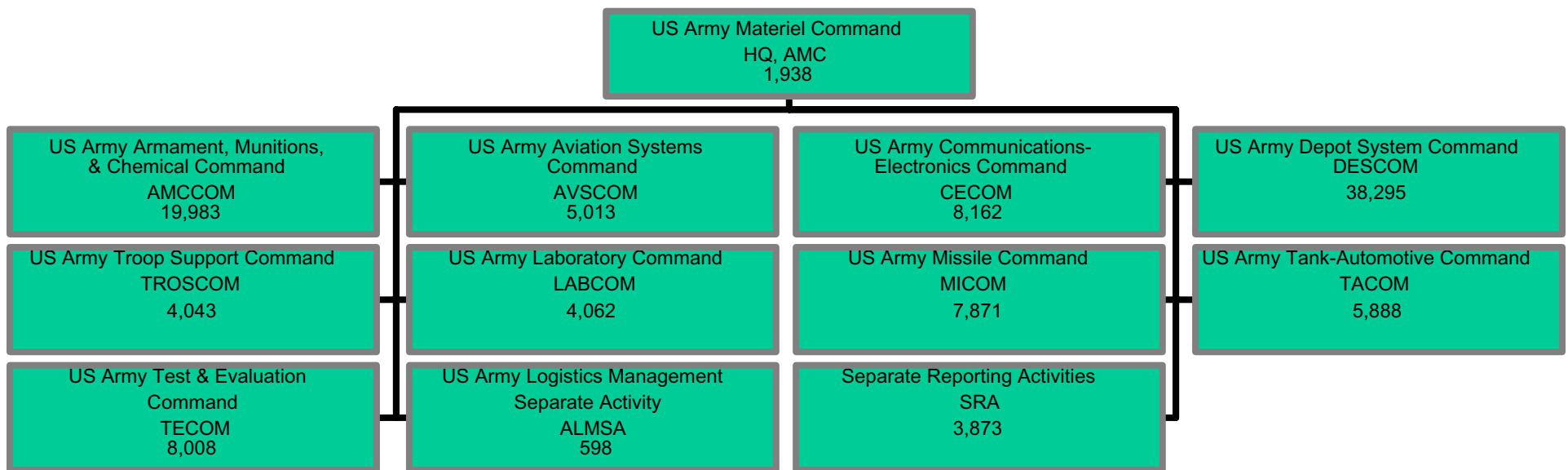
# AMC ORGANIZATIONAL CHART FOR 1962



Command	Military	Civilian	Total
ECOM	2,712	11,439	14,151
MICOM	1,187	11,221	12,408
WECOM	121	12,509	12,630
MOCOM	633	12,848	12,481
MUCOM	2,460	25,152	27,612
SMC	2,981	67,910	70,891
TECOM	10,281	11,906	22,187
HQ, AMC	225	2,900	3,125
Other	961	12,297	13,258
TOTALS	21,561	168,182	189,743

Figure 2.1

# AMC ORGANIZATIONAL CHART FOR 1989



AMC Total Aggregate Civilian Strength: 106,247  
 AMC Total Aggregate Military Strength: 8,389  
 \*Figures based on AMCHO Publication & EEO statistics

**Figure 3**

the Army Materiel Command has responsibility. Throughout this period, from its inception through 1989, the fundamental role of the Command did not change: the development of science and technology and application through research and development; the delivery of technology through new weapon systems; the sustainment of those weapons systems throughout their life cycle; and the integration of these core competencies into a unified business process in support of the Army.

In the early 1990's, in the wake of the successful conclusion of the "cold war" and the successful conduct of the "hot war" in Desert Shield/Desert Storm, the Army began a rapid downsizing from 752,000 soldiers to the current strength of 485,000. The Army Materiel Command was dramatically affected by this downsizing . . . and affected in a disproportionate way. The Command is authorized approximately 30% of the civilian strength of the Army, but it absorbed 50% of the civilian personnel reductions. The wisdom of that disproportionate reduction is debatable, but that is not the purpose of this paper. We are where we are, which is on a steep, downward slope from 114,636 personnel in 1989 to a Command of 52,027 today, with a terminal objective end-strength of 49,661 in FY02 and 45,707 in FY05. The Corporate Headquarters has declined in strength from

1,938 personnel in 1989 to a strength of 953 today. We have gone from a corporate structure of significant depth and breadth across all functional areas to a corporate staff structure with the same breadth and responsibility, but little of the depth in staffing. Accommodation of these dramatic changes has induced changes in the corporate structure which took the form of consolidation and reorganization, application of technology to make up for a loss of depth, devolution of some functions to the Operating Commands of the Army Materiel Command (the MSC's), the non-performance of some corporate management functions, and the application of contractors to assist in the performance of some functions. This changed environment was not unique to the Army Materiel Command, and the strategies employed to accommodate the changes were not unique to the Army Materiel Command. Other major commands in the Army faced similar changes, though perhaps not as pervasive or as deep in the civilian force structure if the prima facie impact of the strength reductions in the Army Materiel Command is representative of the impact on the capabilities of the Command. And, we believe they are.

Today, the strength of the Army Materiel Command corporate headquarters stands at 953. The fundamental role of the Command in support of the Army has not changed. The

structural changes in the corporate staffing requires that the role of the corporate headquarters dramatically change to enable the effective corporate integration of the business processes which support the Command, within the corporate headquarters, i.e. the "horizontal" integration within the corporate headquarters. The role of the Army Materiel Command must also change to ensure the "vertical" integration of the missions and activities of the major subordinate commands of the Army Materiel Command -- the Operating Commands -- with the department headquarters and the horizontal integration with the other major commands of the Army. The role of the Corporate Headquarters must also change to facilitate the "horizontal" integration of the Operating Commands to capitalize on the synergy, which comes from the full integration of interdependent subordinate elements of the Command.

And so we see, history informs as well as illuminates. It informs us that there is an important role for the Corporate Headquarters in the management scheme of this Command and in the logistics business management in the Army. A brief review illuminates the breadth and scope of the responsibility of the Corporate Headquarters. A review of operations today in the Army also illustrates the role of the Army Materiel Command, and while there have been changes

in staffing, the structure and the technology, it is clear that the Corporate Headquarters for AMC must play the critical integrating role in mission management and resource management -- dollars and people -- for the Command.

**. . . Corporate Management -- What it means . . .**

Corporate Management means exactly what the title suggests. It means the sourcing and integration of the resources required by the Operating Commands -- the MSCs -- to enable the major subordinate commands to execute their missions in the commodity areas for which they have responsibility. Corporate management does not mean the management of operating activities of the Command from a staff activity. It means the "appropriate" involvement in the mission activities of the subordinate commands. In the final analysis, "appropriate involvement" will be determined by the Army Materiel Command Commander. Appropriate involvement will also be determined, in large measure, by the performance of the major subordinate commands and the execution of the missions they have been assigned with the resources they have been provided. If commands are performing with the resources provided in accordance with the policies established by the Army and the Army Materiel Command Commander, there will be the same measure of



corporate management but less corporate involvement. If commands are not performing as expected or required, there will be more corporate involvement. What this means, simply, is that subordinate commanders have a relatively high degree of independence to execute the complex, dynamic and very important missions for which they are responsible. However, they are not independent or autonomous. They must operate within the corporate structure of the Army Materiel Command because (1) the Corporate Headquarters is the corporate integrating agent for all the commands and agencies within the Army Materiel Command and (2) because there is a very high degree of interdependence of all the subordinate commands and agencies within the Army Materiel Command.

The Army Materiel Command is the "Logistics Chain Manager" for the Army. That logistics chain consists of the S&T chain, the R&D chain, the contracting chain, the systems acquisition chain, the supply chain, and the maintenance chain for the thousands of systems and hundreds of thousands of items in the Army inventory. The end result of the management of this logistics chain is the readiness and warfighting capability of the Army. No other organization in the Army can perform this function. The individual subordinate MSC's of the Army (DA) operating independently

cannot; the Department of the Army (DA) cannot; and, those instrumentalities of the Army Secretariat, such as Program Executive Officers, cannot. None of these entities are in a position, or are adequately resourced, to perform the logistics business process integration for the Army. The Army Materiel Command is the only organization with the structure and the skills to manage the most complex and dynamic business enterprise in the Army. Because of the diversity, the complexity and the criticality to the Army, these missions must be managed and integrated. That is the role of the Corporate Headquarters.

This role, because of the Transformation of the Army, is taking on new importance. That means that the corporate staff and those staff leaders and managers which comprise it must understand and internalize that role and understand what "appropriate involvement" means. It does not mean detailed involvement on every issue; it does not mean micro-management. It means understanding the environment in which the Command's business is accomplished every day; it means being responsive when issues arise; and it means helping the Commander see the business and use his influence to the greatest benefit of the Command and the Army. It also means crafting corporate staff processes and policies which take full advantage of the natural by-products of the Command's

mission activities to assist the Army Materiel Command Commander and the MSC Commanders in the management of the Army Materiel Command mission in support of the Army.

The Army Materiel Command is the logistics chain manager for the Army. This is a unique role. The Army Materiel Command, because of the inextricable linkage to every unit in the Army and every soldier in the Army, every day, is also very much a part of the Operational Army. It is not part of the "Institutional Army" nor is it "infrastructure". This point is not to diminish the important roles of the "Institutional Army" or the "infrastructure" units of the Army. It is to emphasize the larger point that the capability of the combat formations and every unit which supports them are linked, in their mission activities, to the Army Materiel Command, the logistics chain manager of the Army.

#### **. . . The Role of the Corporate Headquarters . . .**

The first and, perhaps, most important task for the Corporate Headquarters is to recognize they are, in fact, a CORPORATE Headquarters. They are not a coincidental assemblage of functions in a single location, each operating oblivious to the other. The functions and the staff must be tied together -- integrated -- into a cohesive business unit

that is capable of managing the Command's business in an organized, coordinated and coherent manner. The operating dynamics in the Army are requiring a reacculturation of the Army in many important respects. The necessary and attendant transformation of the Army Materiel Command also requires a reacculturation of the Corporate Headquarters along with the necessary management process changes to facilitate the management of the Command's business. Those changes will be addressed later in this paper. However, a brief discussion of the major roles of the Corporate Headquarters may be useful in setting the context for the changed management paradigm which is necessary to manage the Commander's business in the current environment.

- Planning for the future. No corporation can survive and prosper managing today's business activities today. Today's business activities should have been planned and managed three, four, five or perhaps ten years before today. If they were not, then we are not managing, we are coping. So, one of the most important roles of the Corporate Headquarters is to plan for the future. Clearly that means a defined and organized effort to do strategic planning. It also embraces some other fundamental elements of future oriented management. They include:

-- Defining the Mission. The mission, which relates "what we do" must be defined in clear, understandable terms.

-- Defining the Vision. The vision must be the Commander's vision and it must relate in clear, unmistakable terms that resonate with every member of the Command "what we want to become".

-- Defining the Objectives. The Corporate objectives must state, in broad terms, "what we must do to achieve the vision". At the Corporate level they must be azimuths. They are not "recipes for success". The objectives must be clear enough to provide direction and broad enough to enable every subordinate element to craft objectives that are consonant with the corporate objectives. In turn, every business unit in every Operating Command must have objectives for their respective mission area that are linked to the Corporate objectives of the MSC to which they are assigned. MSC objectives are, in turn, linked to the Corporate objectives of the Army Materiel Command.

That is the framework for vertical business process integration.

-- Defining the Structure. The Corporate Headquarters must also define the structure for staff management and staff integration at the corporate level and approve such structures at the operating level.

-- Defining the Measures of Success. The Corporate Headquarters, consistent with direction from the Commander -- the Chief Executive Officer -- must craft and manage the corporate measures of success. The information to support this effort must be generated as a natural by-product of the business processes of the Command; the information must be organized to provide an introspective, moving picture analysis of command business operations and they must be understandable, digestible and capable of being operationalized at every level.

- Making decisions. The Corporate Headquarters must make management decisions about the business of the Command. They must develop, recommend and promulgate policies to unify and integrate the business processes of the Command.

The Corporate Headquarters staff does not make command decisions, though they influence command decisions.

- Resources gathering. There are no capital markets to which operating elements can resort to obtain funds to support operations. This is THE defining distinction between the Army Materiel Command and its subordinate commands and their private sector counterparts who perform similar functions. An important role of the Corporate Headquarters is to make the case for and obtain the resources -- people and dollars -- to enable the Operating Commands to execute the missions they are assigned. We are operating in a severely resource-constrained environment in many important areas of operation. An important and coincident function of resource gathering is resource execution. That means operating commanders have a requirement to operate within what is available, take action when they cannot and expect to have their actions reviewed and perhaps challenged. This is in recognition that commanders at all levels have a responsibility, not just to identify, but also to resolve problems. That is why they are commanders.



- Gain insight. The Corporate Headquarters must function in a manner which enables insight into the complex business operations of the Command. Every issue that rises to the corporate level cannot be a "discovery learning" experience for the staff leader and manager who must provide support, assistance, and advice and who must take action on issues that arise. This requires technical competence, hard work and appropriate involvement by the Corporate Headquarters staff leaders, managers and action officers.

- Provide oversight. The Corporate Headquarters must provide oversight of mission operations for which the respective staff elements have assigned responsibility. That requires insight and understanding of counterpart functions in the Operating Commands. It requires an understanding of the corporate objectives and the operating parameters of subordinate mission activities. Sometimes those parameters are defined by statute or Army policy; sometimes they are defined by the Army Materiel Command corporate policy; and sometimes they are defined by linked corporate/operating command objectives. Simply put, senior staff leaders and managers must know their business, communicate clearly with their counterparts and understand what "appropriate involvement" means -- and does not mean.

In short, operating commands cannot, and will not, operate as "independent" or "autonomous" elements. The Corporate Headquarters will provide oversight of mission activities in the execution of one of the important dimensions of our business: vertical business process integration.

- Provide direction. The Corporate Headquarters will also provide direction to the subordinate Operating Commands. This direction for major operational issues should take the form of written policy direction authenticated by, or promulgated in the name of, the Commander. It will also, in the normal intercourse of business, take the form of less formal direction issued by the Principal Staff Leaders for specific tasks or actions that are required in the course of execution of the Command's business. Knowing when to provide direction and knowing when to challenge direction provided requires understanding, good communication, insight into mission activities, and an understanding of "appropriate involvement". An example of "inappropriate involvement" is direction which requires a major change in mission activities, policy, resources or resource allocation or change in a Corporate objective. These directions may very well be required, but they should be issued by the Commander, or in his name by an agent which has been

enfranchised to issue such policies. This requires a clear understanding of roles by Corporate Staff elements and the ability to execute in a way that does not constipate operations or make the Commander a staff officer.

- Business Process Integration. The most important role of the Corporate Headquarters is to provide the corporate business process integration. This function cannot be performed at any other level, above or below the Army Materiel Command headquarters. It requires a competent, energetic, confident staff which understands the Command's mission and understands execution at the operating level. In sum, it requires an ability to plan and execute. It requires insight and an ability to provide oversight. It requires an understanding of how the Command "fits together" when the diverse mission activities of the Operating Commands are integrated to provide a unified business process in support of the Army. This business process integration will take two primary forms:

-- Horizontal business process integration occurs within the Corporate Headquarters as the various functions are coordinated and integrated to provide a

coherent, unified business process at the Corporate Headquarters level. The product is coordinated action plans by the Corporate Staff and/or decisions by the Commander. Horizontal integration also occurs between the Corporate Headquarters and the major commands of the Army, other services, Department of Defense agencies, other government agencies and sometimes, contractors.

-- Vertical business process integration occurs with the Army Materiel Command Corporate Headquarters integrating actions and business processes with Department of the Army level staff elements and agencies. Vertical business process integration also occurs at the corporate level in the integration of subordinate Operating Command's activities for all commands at the corporate level. Vertical business process integration also consists of the integration of the individual functional staff activities such as Resource Management, Human Resource Management, Logistics Management, Research and Development, Contracting and Acquisition Management, Information Technology Management, and the other Special and

General Staff functions between the Operating Commands  
and the Corporate Headquarters.

## PART II

### MANAGEMENT IN THE AMC OPERATING COMMANDS AND AGENCIES

#### . . . The Operating Commands - the Major Subordinate Commands . . .

The Operating Commands of Army Materiel Command are the commodity-oriented Major Subordinate Commands and agencies which report directly to the Corporate Headquarters. These commands perform the business process integration for research and development, materiel development, contracting, logistics sustainment, and life cycle management for the specific weapons systems and materiel for which commodity management responsibility is assigned. A brief mission statement for each of these commands and agencies is shown at Figure 4 (p.37).

The principal work of Army Materiel Command in support of the Army is performed at this level. The scope and complexity of these business processes require that these commands be given significant latitude to manage these missions. "Significant latitude" does not mean autonomy and, because of the interdependence of these commands, each with the other, significant latitude does not mean

# Mission Statements of the Operating Commands

<b><i>Major Subordinate Command</i></b>	<b><i>Mission</i></b>
U.S. Army Tank-automotive & Armaments Command (TACOM)	<ul style="list-style-type: none"> <li>1 <b>Provides Ground Combat, Automotive, Marine &amp; Armaments Technologies &amp; Systems</b></li> <li>1 <b>Generates, Provides &amp; Sustains Mobility, Lethality, &amp; Survivability for Soldiers,</b></li> <li>1 <b>Other Services, &amp; Our Allies</b></li> </ul>
U.S. Army Communications-Electronics Command (CECOM)	<ul style="list-style-type: none"> <li>1 <b>Provide Information Dominance Capabilities to America's Warfighters</b></li> <li>1 <b>Develop, Acquire and Sustain Superior Information Technologies and Systems</b></li> </ul>
U.S. Army Simulation, Training and Instrumentation Command (STRICOM)	<ul style="list-style-type: none"> <li>1 <b>Integrate Army Simulations, Training Models / Devices and Test / Training Instrumentation into Common Operating Environment</b></li> </ul>
U.S. Army Aviation & Missile Command (AMCOM)	<ul style="list-style-type: none"> <li>1 <b>Develop, acquire, field, and sustain aviation and missile systems – united with program managers, industry and partners – to guarantee the readiness of the Army's technologically superior systems on the battlefield.</b></li> </ul>
U.S. Army Soldier and Biological Chemical Command (SBCCOM)	<ul style="list-style-type: none"> <li>1 <b>To lead the nation and our Army in world-class chemical, biological and soldier technology and materiel readiness...managing our environmental legacy...the homeland our responsibility</b></li> </ul>
Operations Support Command (OSC)	<ul style="list-style-type: none"> <li>1 <b>Serve as the Warfighters' entry point to a single, full spectrum logistics provider, AMC. Synchronize and integrate contingency support and sustainment through manufacturing facilities and forward-deployed AMC elements. Serve as the DoD Single Manager for Conventional Ammunition</b></li> </ul>
U.S. Army Research Laboratory (ARL)	<ul style="list-style-type: none"> <li>1 <b>Provide innovative science, technology, and analyses to enable Army Transformation</b></li> </ul>
U.S. Army Security Assistance Command (USASAC)	<ul style="list-style-type: none"> <li>1 <b>On behalf of the Army Executive Agent, Commanding General AMC; USASAC serves as Executive Agent for the Management, Administration, and Implementation of FMS and MAP programs assigned to the Army. (Draft DA Pam 12-1)</b></li> </ul>

**Figure 4**

"independence". These commands must recognize their role in the constellation of capabilities which comprise Army Materiel Command and recognize that only when they function effectively as members of this corporate entity can they, and AMC, be optimally effective in supporting the readiness of the Army.

These commands are interdependent in a variety of ways. The weapons system platforms developed by TACOM are dependent on the communications and information technology systems provided by CECOM. The missile systems managers are dependent on the platform developers to carry their weapons systems. All weapons systems managers are dependent on the energetics developers and the ammunition managers and producers to provide the lethality to make these weapons systems effective on the battlefield. All of the Commodity Commands are beneficiaries, in one form or another, of the basic research that turns scientific curiosity into good ideas and, ultimately, into enhanced warfighting capabilities. These commands are also interdependent in other ways. They are all dependent on the same resource pool -- the people and dollars -- to enable them to do this important work for the Army. They are not in competition with each other because for AMC to be effective and for our Army to be effective, each of these commands and agencies



must be effective. Such is the extraordinarily interdependent nature of our activities. We are also interdependent in that the leaders and the soldiers on the battlefield whom we support see us, in large measure, as a single corporate entity. The effectiveness of this Corporate Command called Army Materiel Command, in the view of the Army we support, will be shaped by the least effective of those commands providing that support. In short, we will succeed together or we will be perceived as failures together. And, because of the importance of what we do to support the readiness of the Army, we cannot permit the erosion of confidence that will inevitably result from a perception of failure.

This interdependence speaks to the role of the Corporate Headquarters as the corporate integrating agency. More importantly perhaps, it speaks to the need for the Operating Commands, the Commanders, and senior leaders of those activities to understand that they are each important constituent elements of this constellation of capabilities which supports the Army. This understanding must give rise to the inherent responsibility to support the effectiveness of the entire Command while effectively leading and managing the parts for which they have primary responsibility. This means, in blunt terms, no freelancing at the expense of

other elements of the Corporation; it means competing with standards and objectives and not with fellow commanders and commands. It means one voice, one vision, one AMC for the Army. In ethical and professional terms, it means recognizing that this is a military organization and that means commanders have legal authority and legal responsibilities to support the objectives of the organization, and when they cannot, to speak out or get out.

### **. . . The Role of the Operating Commands . . .**

The Operating Commands, the Commodity Commands and Agencies of Army Materiel Command play an indispensable role in the success of AMC. They have enormous responsibilities for the most complex business integration in the Army and for literally hundreds of thousands of items of equipment in the hands of soldiers. They must know the customers for the products they provide and support. They must know the products they provide and support. They must know the industries, which provide these products. And finally they must know the "market", that is, the environment in which these products are used. They must effectively engage thousands of people and billions of dollars to ensure the readiness and capability of these weapons systems and products from the time they are conceived until they are

eliminated from the inventory. It is not a business for the faint-hearted or the semi-competent. It is difficult, complex business, made more so by the severe resource constraints under which they operate.

These Operating Commands function as smaller corporate entities of the Army Materiel Command and perform many of the same corporate functions. However, there are important distinctions which evolve primarily from the singular responsibility of the Command and the commanders for the weapons systems and materiel which fall under the purview of each Operating Command. It is at this level that the abstract expressions of management and leadership must be transformed into concrete expressions of weapons system readiness and unit capability through the application of the resources provided to the Commander. The Commander must have significant latitude within which to operate, as described earlier. However, the broadly defined functions of each Command are the same and they are briefly described below.

- Mission Management. Mission Management comprises that network of functions deriving primarily from the responsibilities for research and development for the respective family of weapons systems and materiel, the

materiel development, contracting and systems acquisition functions and the logistics sustainment of the weapons systems and materiel for which responsibility is assigned. Mission Management also embraces a variety of other responsibilities such as information technology management, security assistance, small business management, installation management and, in some cases the management of production facilities. These processes must be integrated into a unified business process to support thousands of items of equipment, deployed worldwide. This business process constitutes the logistics chain management at each Operating Command. The end result of these processes is the readiness of the weapons systems and materiel for which the Command has responsibility.

- Installation and Facilities Management. The Army Materiel Command operates fifty-nine installations and activities. These "overhead" installations and activities serve as mission platforms for the operating commands. They consume significant resources of the Army Materiel Command and must be managed with a very high degree of effectiveness with a view toward consolidating or eliminating unnecessary functions to reduce cost and improve efficiency and productivity. Contracting will also be considered, consistent with Army and AMC policy and guidance when that

course of action can reduce cost without undermining efficiency and effectiveness of mission operations.

- Resource Management. Commanders must operate in an environment of constrained resources. That is not likely to significantly change in the future. The resources, in this definition, include the dollars, the people and the facilities that are made available to the Commander. The complexity, dynamism, and the importance of these missions to the Army requires commanders and leaders who understand these business processes and understand how to integrate these processes in a complex operating environment that is governed by arcane statutes and policies which often limit the flexibility to use the resources that are made available. These limitations include restrictions based on appropriations category, the life of the appropriations and the limitations which apply to the hiring, assignment, and development of the workforce. The most significant challenge is the requirement to operate within sharply defined resource allocations which cannot be exceeded. This environment makes resource management one of the most critical and difficult functions performed by an Operating Command.

- Human Resource Management and Development. It is self-evident that the management of the intellectual capital required to do this important work and the organization of the intellectual capital in a way that maximizes efficiency and effectiveness constitute some of the most important responsibilities of an Operating Command. This function is more important and more critical now than perhaps anytime in the last forty years. This is because, first of all, there are a lot fewer people to do the work. The Army Materiel Command in 1989 had 114,636 members; today the Command has 52,027 members. This is driven, to some degree, by a smaller Army. But, the scope and breadth of responsibilities have not changed and are, in many ways, more complex. This increased complexity is driven by a greater diversity of technology in the systems we support, a higher operational tempo, fewer dollars, and a business environment where integration of our capabilities is more critical than ever before. These changes have induced . . . and are continuing to induce . . . dramatic changes in human resource management and development. Fewer people and more complex business process technologies now require that leaders, managers and associates in virtually every job know more than one skill. And, the higher they go in grade and responsibility, the more they must know about more aspects

of the business process. We must begin from the day an associate is hired to develop the multi-functional leaders of the future. We must begin to develop the workforce of today into the workforce that we will require managing these complex business processes five or ten years in the future. This effort is made more complicated by the demographics of the workforce which has an average age of over forty-eight years and eligibility for retirement in five to seven years. We can recognize, but not take much consolation in the fact, that while some of these eligible retirees will choose to work beyond the minimum retirement age, many will not. This demographic structure, the rapid downsizing of the past ten years and the failure to hire the requisite numbers of new personnel to replace the skills we will lose will result in a devastating loss in the intellectual capital of the Command, which will require many years to rebuild. If we do not begin now at the Operating Command level, supported by actions at the Corporate level, to address this problem through the Human Resource Management and Development business process, we risk the serious degradation of mission capability with a directly corresponding impact on the readiness of the Army. Management of this issue is a critical task for the Operating Commands.

The circumstances in which we find ourselves clearly indicate a need for dramatic changes in this critical business area. Associates can no longer expect to work in the critical jobs for an entire career, knowing only one skill. We must begin today to provide opportunities for development of associates at early and mid-career levels for leadership positions in the future. This requires not just the human resource management in these important Operating Commands, it will also require the "reacculturation" of these commands and the workforce which populates them. This effort will require more than management skills. It will also require the leadership skills of commanders and senior leaders to define what must be done, communicate the need for these changes to the workforce, and manage the process to successful conclusion to ensure that we can continue to support a Transformed Army of the future where higher technology, limited resources, and the requirement for high readiness will continue to be the defining characteristics of the Army.

The issue of Human Resource Management and Development has, in the current environment, taken on renewed importance as one of the most important roles of the Operating Commands. If we are not successful in this business, the



impact of our success in all the business areas which it supports will be minimized.

- Planning for the future. The business of this Command in almost every important respect is a "future oriented" business. We must take action today to resolve, or avoid, a problem in the future. That is a critical dimension of the business operations in the Operating Commands of AMC. The commanders and senior leaders have a responsibility to "look over the horizon" and provide a focus for the future. This planning activity should consist of a long-term strategic plan which looks three to seven years into the future. These strategic plans should be based on, and consistent with, the vision of the AMC Commander and the Corporate Strategic Plan for AMC. It should define the strategic goals and the actions required and assign responsibilities to senior leaders for management of the effort.

Planning for the future should also include shorter-range business plans for each operating element. The planning horizon for those business plans should be one to three years. These plans should be based on the objectives developed by the Commander and senior leaders of the Operating Command.

Business plans should be prepared by each major operating activity of the Operating Command, laying out the actions being taken to support and achieve the objectives of the MSC. These plans do not have to be elaborate, but should contain sufficient detail to assess effectiveness. The primary purpose of these plans is to ensure a focus by senior leaders on the key business objectives of the Command and to ensure a unified effort to achieve them. They also serve the purpose of educating leaders and associates at every level on the important operational issues of the Command and the actions being taken to address these issues. The business plans for the major operating elements of an Operating Command, when combined, can constitute the Business Plan for the Command.

Planning for the future is an important responsibility of an Operating Command. However, executing in a way to manage the future, is more important. A well-developed Strategic Plan and Business Plan will communicate what is important and will provide the mechanism to link the performance objectives of leaders at every level to the objectives of the Command. This can provide a common perspective and unity of effort that would otherwise be difficult to obtain. Planning and managing the future is an inherent responsibility of leaders at every level.

Obviously, the planning horizon and the level of detail and scope of the plans depends on where the leader fits in the organization. However, any leader at any level who only "works the in-box", i.e. those actions which cross the desk today, is not fully effective as a leader.

- Business Process Integration. The most important role of the Operating Commands is, perhaps, the business process integration of the complex and dynamic activities of the Command. No corporate entity can be successful if the constituent elements are operating oblivious to the corporate responsibilities of the organization of which they are part. That is especially true in the Major Subordinate Commands of the Army Materiel Command where success in supporting and maintaining the readiness of the weapons systems and materiel is critically dependent upon the team effort of scientists and engineers, contracting officers, and sustainment managers. This is why tools like Strategic Plans, Business Plans, objectives and a clear vision are important. They can focus the attention and the intellectual energy of the corporate enterprise into a unified effort. The actions required to bring together a corporate effort of several thousand people organized into eight or ten business units are an extraordinary challenge.

They are also indispensable to success. That is why business process integration is so important. This business process integration must occur in three distinct dimensions in an Operating Command: internal integration, horizontal integration and vertical integration. They are briefly described below.

-- Internal integration. This is the integration of the activities organic to the Operating Command. Each of the Operating Commands in the Army Materiel Command represents a smaller image (though they are all organizations of several thousand personnel) of the Command as a whole. The internal integration of the functional business processes is indispensable to the effective execution of the Command mission.

-- Horizontal integration. Because of the interdependence of the Operating Commands within the Army Materiel Command, the horizontal integration of business activities across these commands is an important business process. All of these commands are to some degree dependent on the others for support. The commonality of the business processes in the Command provides great opportunities for cross-

pollination of effective business practices and this cross-pollination is enabled and routinized by an effective horizontal business process integration. The horizontal business process integration between the AMC commodity-oriented Operating Commands and the Commodity Commands of the Defense Logistics Agency is also a critical dimension of the business processes of these commands. This is critical to the success of the AMC Operating Commands because approximately seventy-five per cent of the consumable items to support the equipment for which AMC Subordinate Commands are the life cycle weapons systems managers is managed by Defense Logistics Agency Centers. Also, these horizontal integration activities provide the opportunity for effective cross-pollination of business practices, in some cases, where similar functions are performed in both activities. Finally, horizontal business process integration between Defense Logistics Agency Centers and AMC Operating Commands is extremely critical in the engineering and technical data management business area. The AMC Operating Command research and development centers serve as the engineering support activities which must validate and provide up-to-date technical data to support the

procurement processes by Defense Logistics Agency Centers.

-- Vertical integration. Vertical business process integration in the Army Materiel Command Operating Commands takes two forms. The first is what could be characterized as "organizational integration" where the subordinate command operates as an important and distinct entity with responsibility for specific weapons systems. The totality of these efforts constitutes the Army Materiel Command support to the readiness of the Army and provides the basis for vertical integration between AMC and the Department of the Army. There is also "functional integration" of the discrete business processes of the Operating Command with the counterpart functional staff elements in the Corporate Headquarters. This vertical functional business process integration occurs across all staff agencies in the normal course of business. The point is that this is an important dimension of the business process integration because if it does not function effectively, staff principals will be doing work that should be done by staff leaders, managers and action officers and commanders will be doing work that

should be done by staff principals. Neither of these conditions are appropriate and undermine the effective and efficient management of the business and undermine the effective vertical business process integration which must occur as a natural by-product of the relationship between the Corporate Headquarters and the Operating Commands and Agencies.

## PART III

### MANAGEMENT AT THE CORPORATE LEVEL IN AMC

#### . . . Management Defined . . .

There are no special or unique definitions for the management processes to be applied at the corporate level in Army Materiel Command. There are no panaceas or special formulations which will make the process less complex. However, we can, and in today's environment we must, organize the management processes in a way that enables us to deal with complexity in a more effective way. The business processes are too complex, the functional areas too broad and the pace is too fast to continue to manage as we have in the past when we had more people, more time and more money.

Management, in the context of this discussion, means those traditional and theoretical management functions of planning, organizing, directing, coordinating and controlling. It means the integration of discrete business processes into a unified effort. It means the delegation of authority and the assignment of responsibility. It means getting the work done at the corporate level through those staff principals who have ownership of the functions and the resources to do the required work in a way that enables us



to "think" as well as "do". Too often, because we do not have a coherent, organized effort, we only have time to "do" and no time to "think" about our business.

Management also means doing the business at the corporate level in a way that enables the Commander to "command" this military organization. That does not mean the Commander is not involved in the management of the Command's business, nor does it mean his job as the Commander will be any easier. It should mean that his functions will be "different" in some important respects. He will still have hard decisions to make, but will have the business process, and the information which flows from it, organized in a way that facilitates the decision-making process. He will be involved in the management of the Command without having to be the manager of the day-to-day activities of the command.

Effective management of the corporate level business processes does not mean "command" of those business processes. There is only one Commander. However, effective management will enable the Commander to apply his time and energy addressing those issues and problems which can only be effectively dealt with by the person invested with the legal authority to command the Army Materiel Command. This requires a staff management structure to which

responsibility can be assigned and to which authority can be delegated for oversight and integration of the corporate level mission.

### **. . . The Corporate Management Structure in AMC . . .**

Historically - In times past, the corporate staff consisted of many more people -- more than three times the number currently assigned. There was great depth in all functional staff areas, and there was a significantly different mix of military and civilian leaders and staff officers. There were two Lieutenant Generals providing the management and integration of the two major business areas of the Command: Logistics Management and Systems Acquisition and Research and Development Management.

The recent past - In the recent past the corporate staff evolved into a parallel staff structure with the principal staff leaders having responsibility for mission activities with parallel authority for oversight to Principal Deputies for Technology, Logistics and Contracting/Systems Acquisition. The Chief of Staff, in this structure, was the principal integrator of the corporate level business processes.

The future - The environment in which we find ourselves today is one with fewer people and dollars, less depth on

the corporate staff and the same range of responsibilities in a more dynamic operating environment. This requires a new management paradigm to improve the corporate level management of the Command's mission activities and prepare for the management of the Transformation of AMC as we support the Transformation of the Army. This new management structure must enable the attention in appropriate detail to the staff management and operating management of the important missions of the Command. The structure must provide a process to facilitate the horizontal integration of the staff business processes at the corporate level. And, the new structure must provide an effective mechanism for managing at the appropriate level the administrative process which attends all corporate level operations and which, if effectively managed, can dramatically improve corporate level business process management.

### **. . . The Changed Environment . . .**

The changed, and still changing, environment in which AMC operates in support of the Army requires a different management structure. It requires a management structure that will enable more focused attention on the core business of the Command, as well as more focused attention on the critical supporting functions. This changed environment,

characterized by fewer people, less money, expanded missions and a faster pace, also requires that the skills and talents of every senior leader and manager be fully engaged. It also requires greater attention to the integration of core business processes across the Command and more attention to the integration of the critical supporting functions with the core business of the Command.

What does this mean in practical terms? It means that a workforce with an average age of more than 48 years requires more intensive and visionary management of the intellectual capital of the Command. Human resource development must be more than processing personnel actions on time. We must prepare. . . and we must prepare the workforce for the future. Information management has never been more critical to our success than it is today because of the shortage of resources and the tempo of operations. Information is a capital asset. We must deploy every resource in a way that optimizes effectiveness. We must be able to make our case for additional resources in a way that is so compelling that it cannot be misunderstood. In short, we must have an integrated data environment to complement and serve as the central nervous system for the integrated business environment. The Army Materiel Command operates fifty nine cities, towns, and villages, most of which have

most of the trappings of urban America: fire departments, police departments, parks, schools, day care centers, shopping centers and other recreational facilities. They also serve as places of residence for soldiers, sailors, airmen and marines. They must be given management and leader attention consistent with their importance to our mission and consistent with the value we place on the service rendered by the uniformed service members and the civilian workforce who serve this Command and our Nation. The dollars to support these activities and the core missions of the Command require intensive management by every leader who shares responsibility for developing requirements and executing our financial programs. This function also requires senior leader support and visibility to assist program managers and ensure optimum investment utility.

The management and full integration of our core business processes across the Command have never been more important than it is in today's environment. These activities must have an AMC corporate focus to ensure the equitable distribution of the resources available, to ensure the fullest understanding of the performance of the corporate mission, and to enable the fullest understanding of the extent to which corporate business process

integration in this highly interdependent Command is occurring. This responsibility also brings with it an inherent responsibility to be a value-added Corporate Headquarters. This changed environment also requires that the core business activities and the supporting functions be more fully integrated than in earlier times when the Command could function effectively in a more robustly resourced, slower paced, stovepiped structure. Those days are gone forever. The management structure of today must be consistent with the realities of today's business environment. The Commander has established the management structure shown at Figure 5 (p.62) to manage the corporation's affairs at the corporate level and facilitate the management and integration of business processes across this corporate body called the Army Materiel Command.

#### **. . . Terms of Reference . . .**

It is important in every management structure, and especially in a changing structure, to identify and define the terms of reference for the organization. This section will describe and define some of the key terms of reference to facilitate an understanding of the changed management structure. These descriptions and definitions will also put in context the management strategy to be employed in the

organizational construct shown at Figure 5 (p.62).

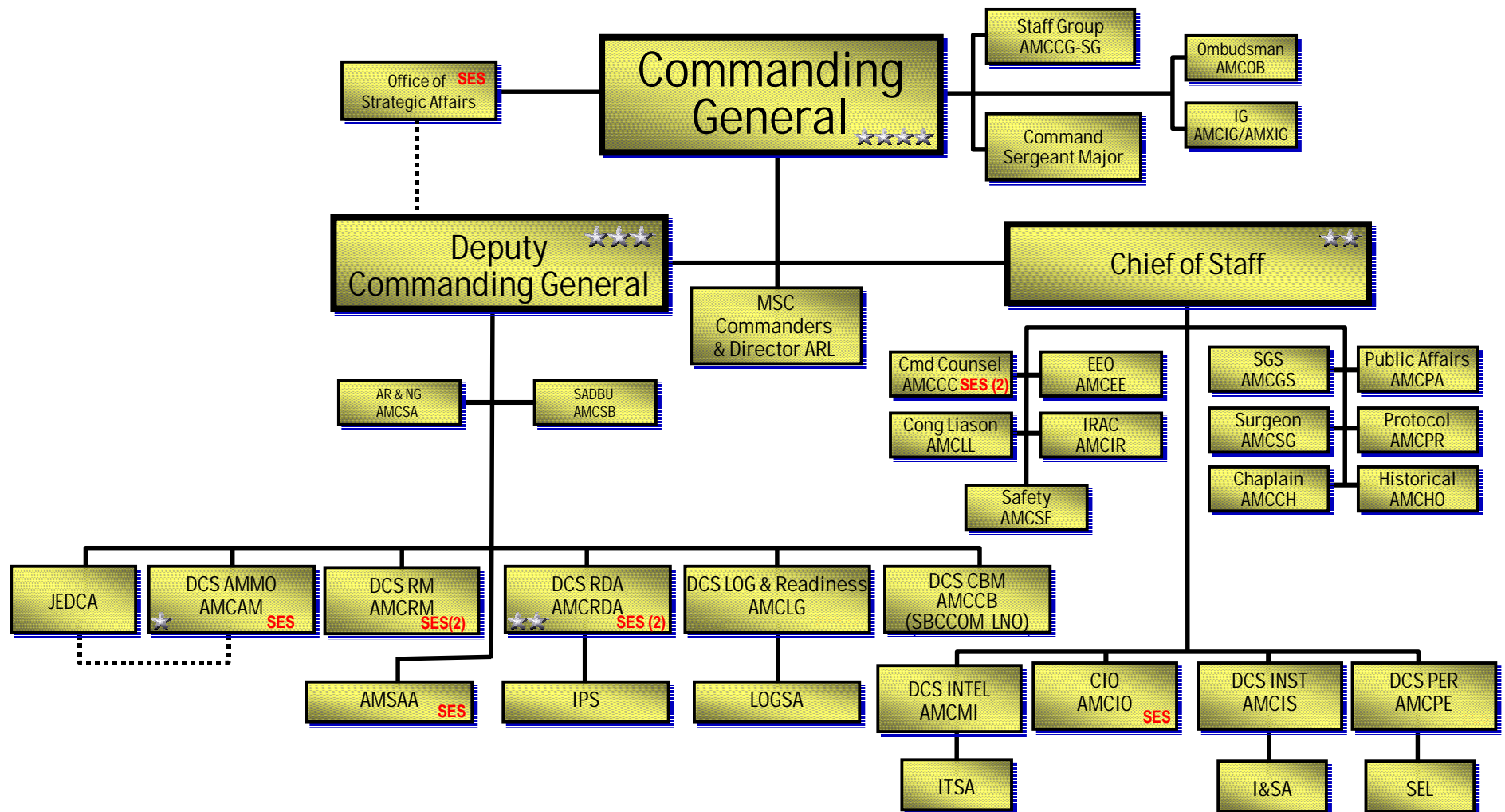
- Command. Command is a legal function which derives from the Constitution and flows from the President in his role as the Commander-in-Chief of the Armed Forces. It extends through the Secretary of Defense and the chain of command subordinate to the Secretary of Defense to officers who are assigned to positions designated and chartered by an Assumption of Command Order as "Command Positions".

- Management. Management is the process of planning, organizing, directing, coordinating and controlling the affairs of a business unit, or units, in order to obtain a unified effort in pursuit of corporate objectives.

- Business Process Integration. The management and leadership of the constituent elements of a corporate enterprise in such a manner as to achieve the maximum effectiveness of each element in support of the attainment of corporate objectives, accomplishment of the corporate mission and fulfillment of the corporate vision.

- Coordination. The review, acknowledgement, and sometimes, the authentication of a staff action indicating concurrence,

# AMC Organizational Structure



Approved by CG, AMC July 2001

Figure 5



non-concurrence, or some variation thereof. The intent is to provide awareness and an opportunity for engagement.

- Lead Agent/Executive Agent. The agent or agency which has primary responsibility for successful completion of a task, mission or directive.

- Supporting Agent. The agent or agency assigned responsibility for actively assisting a Lead Agent/Executive Agent in the successful completion of a task, mission or directive and who shares responsibility for the successful completion of the task, mission or directive.

- Core Business Functions. In the Army Materiel Command, the Core Business Functions include Logistics Sustainment and all those functions attendant to Logistics Sustainment, Contracting and Acquisition including Small Business Management and all attendant functions, Science and Technology, Research and Development and all attendant functions, Resource Management and all attendant functions, and Security Assistance and all attendant functions and Chemical-Biological operations and all attendant functions. Systems Analysis is, in all cases, a critical attendant

function to the core business process though the analysis function may be deployed in support of other business processes.

- Supporting Business Functions. The Supporting Business Functions are Human Resource Management and all attendant functions, Corporate Information Management and all attendant functions and Facilities Engineering and Installation Management and all attendant functions.

- Tasking. A specific request for specific information to satisfy a specific requirement.

- Policy. Direction for execution of a command mission which is intended to have universal and long-term application across the Command and which may address Core Business Functions, Supporting Business Functions, or both. It is injunctive in nature.

- Directive. Direction for executing a specific task, mission or business process that will have shorter term application and may be directed to one, or more than one Operating Command or Agency. It is injunctive in nature.

- Command Authority. The legal authority inherent in the exercise of command in a duly constituted command position to which a commander accedes as a result of assignment and an Assumption of Command Order. The exercise of command consists of the assumption of responsibility for everything which the organization under command does or fails to do. Inherent in command is the responsibility and authority to recognize and respond to performance of subordinates, manage operations, assign responsibility and delegate directive authority. Command authority is non-delegable. Responsibility is non-delegable.

- Directive Authority. Directive Authority derives from command authority and is that authority delegated to a subordinate to facilitate the management of an enterprise. Directive Authority of the delegee is supported by the command authority of the commander making the delegation of authority. Directive Authority cannot be further delegated without authorization of the commander making the delegation of Directive Authority.

- Commanding General. The senior officer in the command in whom is reposed the legal authority to command the Army

Materiel Command. The Commanding General is the Chief Executive Officer of the Command.

- Deputy Commanding General. The second senior officer in the Command who serves as the Principal Assistant to the Commanding General, assumes command in his absence and, when delegated Directive Authority, serves as the Chief Operating Officer of the Command with primary responsibility for the core mission management of the Army Materiel Command through the subordinate Operating Commands and Agencies. The Deputy Commanding General works closely with the Chief of Staff to achieve the fullest horizontal business process integration of core mission and supporting functions.

- Chief of Staff. A Major General who serves as a Principal Assistant to the Commanding General and when delegated Directive Authority by the Commanding General serves as the Corporate Manager for Human Resource Management and Development, Corporate Information Management, Corporate Information Technology Development and Application across AMC in support of all mission activities and who serves as the Corporate Manager for all Installations and Installation Support Activities across AMC. He serves as the supervisor of the Special Staff activities as directed by the

Commanding General. The Chief of Staff exercises Directive Authority for the assigned business areas through the subordinate Operating Commands and Agencies and works closely with the Deputy Commanding General to achieve the fullest horizontal business process integration of core mission activities and supporting activities across the Army Materiel Command.

- Principal Staff. The primary staff functions are Logistics, Research, Development and Acquisition, Ammunition, Resource Management, Human Resource Management, Corporate Information Management, Installation Management, Intelligence and Chemical-Biological Operations. Those activities perform the Corporate Headquarters management of these core business functions and the supporting business functions of the Command. The senior military and civilian leaders and managers of these activities report to either the Deputy Commanding General/Chief Operating Officer or the Chief of Staff. They are assigned full responsibility for the management of their respective business areas and for the horizontal business process integration on the corporate staff and vertical business process integration with their respective counterpart functions in the Operating Commands and Agencies and with the Department of the Army staff.

- Special Staff. The staff functions of Legal Counsel, Chaplain, Surgeon, Public Affairs, Command History, Safety, Protocol, Secretary of the General Staff, IRAC, Equal Opportunity, Congressional Liaison, the SADBUI, AR/NG Advisors, Provost Marshall and the Office of Strategic Affairs. The Special Staff functions of Small and Disadvantaged Business and the Army Reserve and National Guard Advisors will report to the Deputy Commanding General. The Special Staff functions of Legal Counsel, Safety, Equal Opportunity, IRAC and Congressional Liaison, Secretary of the General Staff, Chaplain, Surgeon, Public Affairs, Command History, Protocol, and Provost Marshall will report to the Chief of Staff with direct access to the Commanding General, as required. The Special Staff functions report to the Chief of Staff, with direct access to the Commanding General, as required. The Office of Strategic Affairs will report to the CG, but day-to-day management and coordination will be provided by the DCG/COO.

- Personal Staff. The Personal staff of the Commanding General consists the Staff Group, the Ombudsman and the Inspector General. They report directly to the Commanding General.

Deputy Chief of Staff. The Deputy Chief of Staff is a senior colonel who will have responsibility for Administrative Management in the Corporate Headquarters and will exercise this function through the Secretary of the General Staff who has responsibility for all correspondence, distribution and suspense management in the Corporate Headquarters. The Deputy Chief of Staff will assist the Chief of Staff in the discharge of his responsibilities. for staff management of the Special Staff.

- Operating Commands. The Operating Commands are the Major Subordinate Commands of the Army Materiel Command. Those Commands are: the U.S. Army Aviation & Missile Command (AMCOM), the U.S. Army Communications and Electronics Command (CECOM), the U.S. Army Tank-Automotive & Armaments Command (TACOM), the U.S. Army Soldier & Biological Chemical Command (SBCCOM), the U.S. Army Operations Support Command (OSC), the U.S. Army Simulation, Training & Instrumentation Command (STRICOM), the U.S. Army Security Assistance Command (USASAC), and the U.S. Army Research Laboratory (ARL). They are under the Command Authority of the Commanding General, U.S. Army Materiel Command, but subject to the Directive Authority as delegated to the Deputy Commanding General and the Chief of Staff when such Directive Authority is

delegated to those Principal Assistants by the Commanding General.

- Agencies. The Command Agencies are: Army Materiel Systems Analysis Agency (AMSAA); Integrated Procurement Systems Office (IPS), Logistics Support Agency (LOGSA); Installation and Service Activity (ISA), AMC Intelligence, Technology & Security Activity (ITSA); and the School of Engineering Logistics (SEL). They will report to the Deputy Commanding General, the Chief of Staff or a Staff Principal, as directed by the Commanding General, Army Materiel Command.

#### **. . . The New Staff Management Structure . . .**

The new staff management structure is shown at Figure 5 (p.62). The substructure of the staff remains basically unchanged, at this time. There are significant changes in the assignment of responsibility and delegations of authority to the principal assistants to the Commander managing and integrating the mission activities of the Command. The command authority which resides in the Commander and which has legal basis is unchanged in the new structure. In the new structure there is an explicit delegation of Directive Authority to the principal



assistants to the Commander for management of the mission activities of the Command. These principal assistants will consist of the Deputy Commanding General, who is assigned primary responsibility for the core business functions which consist of Logistics, Research and Development, Science and Technology, Contracting and Acquisition, Ammunition Management, Resource Management, Security Assistance and Chemical-Biological business areas. The other principal assistant will be the Chief of Staff, who is assigned responsibility for supporting business functions which consist of Human Resource Management, Corporate Information Management, Installation Management business areas and the special staff. These two will be responsible for the corporate level management and integration of these business areas and the corporate execution of these business areas through the Operating Commanders. These positions are not co-equal. The Deputy Commanding General is the second ranking officer in the Command and will assume command when so directed by the Commander. The Principal Assistants to the Commanding General in these positions will exercise the delegated Directive Authority to facilitate and integrate the execution of the Command mission through the Operating Commanders.

### **. . . Roles and Responsibilities . . .**

The following paragraphs describe the roles and responsibilities of the key individuals and sections under the new management structure:

- The Commanding General. The role and responsibilities of the AMC Commander are unchanged in the new staff structure. In military terms he is the Commanding General of the Army Materiel Command. In business terms he is the Chief Executive Officer of the Corporation.

- The Deputy Commanding General. The Deputy Commanding General is the second ranking officer in the Command and will assume command at the direction of the Commanding General, in his absence.

-- Role. The Deputy Commanding General is the principal assistant to the Commanding General and shares responsibility for the efficient and effective execution and management of the mission of the Army Materiel Command. When so directed he will represent the Commanding General and act on his behalf unless precluded by policy or statute.

-- Responsibilities. The Deputy Commanding General will function as the Chief Operating Officer of the Command with primary responsibility for the efficient and effective execution and management of the Core Business Functions of the Army Materiel Command.

--- The Deputy Commanding General will discharge the responsibility for execution and management of the Core Business Functions through Principal Staff and Subordinate Operating Commands of the Army Materiel Command.

--- The Deputy Commanding General will discharge the responsibilities of his office through the Directive Authority delegated by the Commanding General.

--- The Deputy Commanding General, working in close collaboration with the Operating Commands, the Army Materiel Command Principal Staff and Department of the Army Staff Agencies, will ensure the effective and efficient vertical business process integration of the Core Business Functions of the

Command. He will, working in close collaboration with the Deputy Commanding General for Corporate Management, the Principal Staff and the Commanders and staff elements of other Major Commands and Department of Defense (DOD) Agencies, ensure the horizontal business process integration of AMC Core Business Functions.

- The Chief of Staff. The Chief of Staff is the third ranking officer in the Command.

-- Role. - The Chief of Staff is a principal assistant to the Commanding General.

-- Responsibilities. - The Chief of Staff has primary responsibility for efficient and effective execution and management of the Supporting Business Functions of the Army Materiel Command.

--- The Chief of Staff will discharge the responsibility for execution of the Supporting Business Functions through the Principal Staff and the Subordinate Operating Commands of the Army Materiel Command.

--- The Chief of Staff will provide the staff supervision and management of the Special Staff and Personal Staff and will execute these responsibilities directly or through the Deputy Chief of Staff.

--- The Chief of Staff will discharge the responsibilities of his Office through the Directive Authority delegated by the Commanding General.

--- The Chief of Staff, working in close collaboration with the Principal Staff, the Operating Commanders and the Department of the Army Staff, will ensure the effective and efficient vertical business process integration of the Supporting Business Functions of the Army Materiel Command. He will, working in close collaboration with the Deputy Commanding General, the Principal Staff and the staff elements of other Major Commands and DOD Agencies ensure the horizontal business process integration of Supporting and Core Business Functions of the Army Materiel Command.

- The Principal Staff. The Principal Staff are the functional managers of the Core and Supporting Business Functions at the corporate level in the Army Materiel Command.

-- Role. The Principal Staff leaders manage the functional business areas for which they are assigned responsibility.

-- Responsibilities. The Principal Staff leaders and managers will have primary responsibility for efficient and effective execution and management of the functional business processes for which they are assigned responsibility.

--- The Principal Staff will have responsibility for the vertical functional business process integration with their staff counterparts in the Operating Commands and on the Department of the Army Staff.

--- The Principal Staff will have responsibility for the horizontal integration of Core and Supporting Business Functions at the corporate level.

--- The Principal Staff will discharge their responsibilities through the Deputy Commanding General or the Chief of Staff, respectively, when a need arises for invocation of the Directive Authority of the Commanding General. Normal business intercourse in management of the Command's business will not require the invocation of such authority and will be conducted through the Operating Commanders.

- The Deputy Chief of Staff. The Deputy Chief of Staff will serve as the principal administrative manager in the Corporate Headquarters and will serve, in this capacity, as the Headquarters Commandant for the Corporate Headquarters.

Role. The Deputy Chief of Staff will manage the administrative processes supporting the Corporate Headquarters and assist the Chief of Staff in the management of the Special Staff functions. Management of the administrative processes will be exercised through the Secretary of the General Staff. The Deputy Chief of Staff will function under the supervision of the Chief of Staff.

-- Responsibilities. Following are the broadly stated responsibilities of Deputy chief of Staff.

--- The Deputy Chief of Staff will serve as the Headquarters Commandant for the Corporate Headquarters.

--- The Deputy Chief of Staff will assist the Chief of Staff in providing staff supervision for the Secretary of the General Staff, the Staff Chaplain, the Staff Surgeon, Command History and Protocol.

--- The Deputy Chief of Staff will have responsibility for all correspondence, distribution and suspense management in the Corporate Headquarters.

--- The Deputy Chief of Staff will serve under the supervision of the Chief of Staff.

--- The Deputy Chief of Staff will organize and manage the functions for which responsibility is assigned to ensure the unencumbered access to the Commanding General, the Deputy Commanding General and the Chief of Staff when such access is determined to be



necessary in the normal course of management and execution of the Special Staff responsibilities by the Chiefs of the Special Staff Activities.

--- The Deputy Chief of Staff will be assisted and supported by the Principal Staff and Special Staff when such support is required in the discharge of the responsibilities assigned to that office.

- Special Staff. The Special Staff is assigned responsibility for specific functions which have a generalized application across the Command. The scope of these specialized and critical functions do not rise to the level of a Principal Staff function but the organization structure and management scheme must recognize and provide access to the senior leadership consistent with their significant importance and impact on the efficient and effective management of the Army Materiel Command.

-- Role. The Special Staff will manage those specific, narrowly defined functions which provide general support to the entire Command across all Core and Supporting Business Functions.

-- Responsibilities. Following are the broadly stated responsibilities of the Special Staff.

--- The Special Staff will serve as advisors to the Commanding General, the Deputy Commanding General and the Chief of Staff in the specialized business areas for which responsibility is assigned.

--- The Special Staff will manage the business areas for which responsibility is assigned to facilitate the effective and efficient execution of the Army Materiel Command mission.

--- The Special Staff will support the horizontal integration of Core and Supporting Business functions in the Corporate Headquarters.

--- The Special Staff will manage the vertical functional business process integration between counterparts in the Operating commands and the Department of the Army Staff.

--- The Special Staff will coordinate and facilitate horizontal integration with counterparts in

other Major Commands and DOD Agencies to support and facilitate the execution of the Army Materiel Command mission.

- The Personal Staff. The Personal Staff are those agencies which by policy, statute or direction work directly for the Commanding General.

-- Roles. The Personal Staff are advisors to the Commanding General, directly support him in the discharge of his responsibilities and respond to his direction.

-- Responsibilities. Following are the broadly stated responsibilities of the Personal Staff.

--- The Personal Staff will serve as advisors to the Commanding General in the broad areas for which responsibility is assigned.

--- The Personal Staff will serve as advisors to the Principal Staff and Special Staff when those functions are not in conflict with the operating

guidance and direction provided by the Commanding General.

--- The Personal Staff will facilitate the horizontal integration of the Core and Supporting Business Functions on the Corporate Staff when the discharge of those responsibilities are not in conflict with the operating guidance and direction from the Commanding General.

--- The Personal Staff will carry out special taskings assigned by the Commanding General.

--- The Personal Staff will facilitate the vertical functional integration of the business areas for which they are responsible with their counterparts in the Operating Commands and the Department of the Army Staff.

#### **. . . Policies and Directives . . .**

No Corporate entity can function effectively without some coherent mechanism for providing policies and

directives to which the subordinate operating elements are expected to subscribe and faithfully execute. Policies and Directives are different from "Vision", "Guidance", "Direction" and "Objectives", all of which, in some form, constitute policies or directives when issued by the commander or his duly appointed agents. Clearly, no commander can publish a vision statement which prescribes what he wants the organization to become and objectives which he intends to serve as broad guidance in achieving that vision and permit subordinates to disregard them with impunity. A commander who does so is doomed to both frustration and failure. And, organizations which operate in this environment are doomed to sub-optimum performance.

Policies and Directives are intended to be explicit direction to subordinate operating elements issued by the Corporate Headquarters on behalf of the Commander by Agents who have been enfranchised through an appropriate delegation of Directive Authority. They will generally address a broadly based business function that can embrace both Core and Supporting Business Functions in an Operating Command or Agency. The issuing agents have the responsibility to ensure that such policies are clear, coherent, consistent with policy and statute, are within the bounds of the delegated authority and are fully coordinated prior to

publication. The objects of these directions have the responsibility to recognize that they are not "suggestions", that they have been issued in the interest of advancing a "Corporate" intent and that disregard of these Policies and Directives will not be tolerated.

Policies and Directives should, in the normal course of business, be sparingly issued. Army Regulations, DOD Instructions and statutes provide a wide range of policy guidance and direction which affect and govern mission execution. However, on occasion, Corporate Policies and Directives will be required to ensure focused and coherent response, provide specific directions or intent of the Commander or provide parameters for operations by the Operating Commands and Agencies. Such Policies and Directives will usually be broad in terms of their application across Core and Supporting Business Functions and Operating Commands.

Policies and Directives will be developed and coordinated by the Corporate Staff. All Policies and Directives will be signed by both the Deputy Commanding General and the Chief of Staff under the delegation of Directive Authority from the Commanding General. A Principal Staff or Special Staff Lead Agent will be specified in the Policy or Directive and the Deputy

Commanding General or Chief of Staff will be identified as the Executive Agent or Supporting Agent, as appropriate. This management scheme is intended to ensure coordination is affected before a Policy or Directive is issued and is intended to ensure the horizontal integration on the Corporate Staff of the corporate business process addressed in the Policy or Directive.

The characterization of a "Policy or Directive" has broad connotations across multiple Operating Commands, Agencies and business processes. The normal intercourse between the Corporate Staff and Operating Commands results in taskings, requests for information and other business related information. The scheme for managing, issuing, executing and enforcing Policies and Directives is not intended to overtake these routine staff actions. However, neither are these kinds of staff actions intended to be a substitute for, or a subterfuge to avoid the issue of a Policy or Directive when that action is necessary and appropriate. Routine staff actions will continue to flow from the Principal and Special Staff Activities to the Operating Commands and Agencies. They will be authenticated by the Principal or Special Staff Chief, the Chief of Staff or the Deputy Commanding General. When authenticated by any other agency, the action must specify, "For the Commander".

Policies and Directives are issued on behalf of the Commanding General under a delegation of Directive Authority. They are injunctive and carry the full force and authority of a directive issued by the Commanding General, personally. They are not the same as Command authority which is reposed solely in the Commanding General. An Operating Commander may request clarification or may challenge a Directive or Policy. Such interrogatories or challenges will be clearly specified, reduced to writing and signed by the Operating Commander. Policies and Directives will not be disregarded by any Operating Command or Agency subject to the jurisdiction of the Commanding General of the Army Materiel Command.



## CONCLUSION

The Army Materiel Command is the business center of the Army. We operate, in many important respects, in accordance with business principles not unlike our private sector counterparts. The Army Materiel Command represents the confluence of the materiel readiness of the Army and the business processes of the Army which must, in the final analysis, deliver that materiel readiness. In many important respects, as the Army Materiel Command goes, so will go the readiness -- and the capability of the United States Army. That is an awesome responsibility for the men and women of this Command.

The nature of our business and its importance to the Army and to the soldiers who rely on us to ensure the readiness of the equipment in their hands is made more urgent and more complex because we do not have those simple, easily recognized barometers of effectiveness such as a measure of profitability or a business statement. That makes it more important that the Army Materiel Command have in place processes that enable the effective and efficient execution of the extraordinarily complex business processes for which we have responsibility. These business processes must enable us to see inside this complex web of relationships, missions and capabilities and enable the

Command and the Army to manage readiness and not be managed by readiness. No other Command or Agency can do that for the Army. The capability does not exist outside the Army Materiel Command to bring it all together into a coherent, unified business process for the Army. The resource constraints, the complexity of our equipment, the technology, the operational tempo and, increasingly, the age of our equipment demands that we do it better than we have ever done it before. If we do not, our Army cannot be as capable as it must be and we betray the trust of those whose lives depend on the equipment which we support.

There are no panaceas; there are no grand solutions to make this work easy. The dramatic, and in some respects undisciplined, downsizing of this Corporation has had adverse consequences for the Army and the personnel who have always done this important work for the Army and has complicated the challenges we face today. The limitations on investment in technology when we have committed to a smaller, technology based Army has exacerbated the problem; the reductions in the structure required to deliver and sustain the Army based on ephemeral efficiencies and bumper sticker business processes has resulted in risk beyond what is reasonable given the importance to the capability of the Army. The rapid downsizing and the failure to implement

aggressive, long term human resource development programs to compensate for the loss of the intellectual capital inherent in a workforce of over forty-eight years with retirement eligibility in five to seven years has created substantial risk for the Army.

These observations are not meant to depress -- they are meant to illuminate. They are meant to illuminate the imperative for a coherent, fully integrated business process execution strategy if we are to be successful. They are meant to illuminate the need to think about our business differently as the Army transforms and as the Army Materiel Command transforms, as it surely must, in support of the Army. This Directive is meant to be the beginning of the process to think about our business processes differently, in some respects, so we can do our business differently. Leaders and managers who are up to this challenge will find themselves in demand. Those who are unable or unwilling must change because they will be held accountable for the portfolios which they hold and for the success of the Core and Supporting Business Functions for which they have responsibility. The strategies outlined here are the first steps in the process of aligning the corporate structure to facilitate the execution and management of the corporate mission.

The assertions and ideas put forth here do not assume that the Army Materiel Command has been ineffective in the past. It does assume that we can be better in the future. It does not assume that we have been disorganized in the past; it asserts that the opposite of "disorganized" is "not disorganized". And, we must tighten up the organizational management of our business processes before we can be "organized", or more correctly, effectively organized. Effective organization is a condition precedent for accountability, both corporately and personally. We have taken the first step, at the corporate level.

We are not going back to the days of one hundred thousand personnel or to a Corporate Staff of more than three thousand personnel. We must make technology work for us to get the work done. We must have organizational processes which facilitate the fullest integration of our very complex business processes. If we do that effectively "working for" will be a lot less important than "working with" in this extraordinarily complex corporation called the Army Materiel Command. And, "working with" is what Business Process Integration and Corporate Management is all about.